



STATE OF DELAWARE

**PUBLIC SERVICE COMMISSION**  
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**MEMORANDUM**

**TO:** The Chair and Commissioners

**FROM:** Lisa B. Driggins, Public Utilities Analyst

Handwritten initials "ABD" inside a hand-drawn circle.

**DATE:** June 10, 2016

**SUBJECT:** IN THE MATTER OF THE APPLICATION OF TIDEWATER ENVIRONMENTAL SERVICES, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WASTEWATER SERVICES PURSUANT TO 26 DEL. C. § 203D (FILED MAY 28, 2009)  
**PSC DOCKET NO. 05-WW-006 "BREEDERS CROWN"**

IN THE MATTER OF THE APPLICATION OF TIDEWATER ENVIRONMENTAL SERVICES, INC. TO ABANDON UNDER 26 DEL. C. § 203A(d) WASTEWATER SERVICES PROVIDED UNDER A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (FILED APRIL 19, 2016)  
**PSC DOCKET NO. 16-0572**

Tidewater Environmental Services, Inc. ("TESI" or "Company") is a utility providing wastewater services for public use that is subject to the regulatory jurisdiction of this Commission. On August 23, 2005, the Commission granted via Order No. 6703 TESI's application for a Certificate of Public Convenience and Necessity ("CPCN") for wastewater services for parcels of land specifically identified as Kent County Tax Map Parcel Numbers MD-00-172.03-01-0100-000 through MD-00-172.03-01-65.00-000, also known as the Breeders Crown subdivision. On April 19, 2016, TESI filed an application ("Application") with the Commission seeking to abandon or discontinue its CPCN to provide wastewater operations or services for parcels of land specifically identified as Kent County Tax Map Parcel Numbers MD-00-172.03-01-0100-000 through MD-00-172.03-01-65.00-000. TESI expects to transfer wastewater services to the control of Kent County effective on or about May 15, 2016.

On May 17, 2016, at the request of Staff, TESI supplied additional information to supplement its Application.

Delaware law provides that no public utility shall abandon or discontinue, in whole or in part, any regulated public utility business, operations or services provided under a certificate of public convenience and necessity without first having received Commission approval for such abandonment or discontinuance. 26 *Del. C.* §203A(d)(1). Such applications must be made to the Commission in writing, verified by oath or affirmation, and be in such form and contain such information as the Commission may from time to time require. 26 *Del. C.* §203A(d)(2). Finally, the Commission must approve any such application when it finds that the utility has met its burden of proving that the abandonment or discontinuance is reasonable, necessary and not unduly disruptive to the present or future public convenience and necessity. 26 *Del. C.* §203A(d)(3).

Staff reviewed the Application for abandonment and found it complies with all Delaware statutory and regulatory requirements. The Company provided a verified application that requests to abandon its CPCN. In a letter dated April 19, 2016, the Company states the infrastructure will be transferred under an approved plan to develop a “Greater Houston Area” sanitary district functioning as an expansion of Kent County, Delaware’s Sewage Disposal District No. 1. Staff believes the abandonment is necessary because on October 22, 2013,<sup>1</sup> Kent County approved a resolution to extend its sanitary sewer district, and such extension includes the parcel listed in TESI’s Application (Kent County Tax Map Parcel Numbers MD00-172.03-01-01.00-MD00-172-03-01-65.00). The abandonment will not be unduly disruptive to the Company’s existing customers because TESI has sent notices to its customers since 2013 notifying them of the change in wastewater service provider to Kent County. Furthermore, the abandonment is reasonable because the landowner of the parcel will benefit from lower rates for wastewater services from Kent County, and the abandonment will provide a more cost-effective means of providing safe, secure wastewater services for future customers on the parcel than would otherwise be available if TESI retains the parcel in its CPCN. Finally, TESI alleges that Kent County intends to construct necessary improvements that will allow waste to be treated at its Regional Treatment Plant for the parcels included in the Application.

Therefore, Staff recommends that the Commission grant TESI’s request to partially abandon its CPCN.

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<sup>1</sup> This resolution stated that it would be effective 30 days from October 22, 2013.